REMARKS

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Through examination of the application is appreciated.

Claims 1-20 are pending, with claims 1, 9 and 18 being independent. The pending claims stand rejected under 35 U.S.C. 103(a) as unpatentable over U.S. Patent No. 6,151,018 tc Webb et al. ("Webb") in view of U.S. Patent 6,041,307 to Ahuja et al ("Ahuja"). The Office Action ( )A) has not established a *prima facie* case of obviousness because the cited references, alone or in c mbination, do not teach or suggest all of the claim limitations of the independent claims at l ast for the following reasons.

Claim 1

I. Claim 1 recites, among other limitations, the following:

> allocating a budget to the algorithm based on the determined algorithm
> resources to enable operating the algorithm at an output quality level, said
> output quality level being one of the plurality of output quality levels.

The Examiner admits that Webb fails to teach allocating a budget, as recited by Claim 1. However, the Examiner contends that Ahuja suggests "allocating a budget to the algorithm", and "it would have been obvious ... to combine Ahuja's teaching with Webb because Ahuja further teaches determining the "rationing services" provided in a network by price." OA, page 3, line 4. The Examiner is incorrect with all due respect.

Ahuja teaches that a user is allotted a budget consisting of limited "electronic credits", i.e.., a debit against the electronic credits. "The user's budget **depends on the funding of t he specific project on which he/she is working... .."** (emphasis added) Ahuja, col. 2, lines 55-64. " he budget **consists of a predetermined amount of electronic credits** which the user can spend on the various services furnished by intranet 100 during the period." Ahuja, col. 3, lines 3-6. "Each req uest by the user is accessed by an algorithm operable to determine the price of the requested se vice which may or may not accepted by the user." Ahuja, col. 3, lines 48-50; lines 16-18.

First, the budget is allotted to the user (105), (not to a pricing algorithm deter nined by a manager 140) and executed by a server processor 107. Ahuja, col. 4, lines 1-7 and FIG. 1. In contrast, Claims 1 recites "allocating a budget to the algorithm."

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Second, although the criteria of allotting the budget to the user is nowhere disclosed by Ahuja, it is crystal clear that whatever resources of an algorithm run by the user's terminal server 105 are, none of these resources are used for allocating of the budget. The allocation of the budget is decided on an administrative level, and the reference is silent as to whether any of electronic resources is considered in making a final decision. In contrast, Claims 1 recites "allocating a budget to the algorithm based on the determined resources."

Third, as mentioned above, the algorithm disclosed by Ahuja is a pricing algorithm executed by server processor 159 (Ahuja, FIG. 1). The reference does not disclose that this algorithm operates at different levels. In fact, the algorithm has a single output level -- a single price that the user is offered to pay for this level. Ahuja, col. 3, lines 32-42. Whether the user agrees or disagrees to accept the price depends on the user's budget. Ahuja, col. 4, lines 16-30. In contrast, Claim 1 recites that "said output quality level being one of the plurality of output quality levels."

In sum, Ahuja has no teaching regarding "allocating the budget to the algorithm", let alone "allocating the budget to the algorithm based on the determined algorithm resource" that would be necessary for rendering Claim 1 obvious, if one of ordinary skill used Webb as a base reference.

II.   Claim 1 further recites

> "automatically assigning a first quality level of the first plurality of quality
> levels to the first function and assigning a second quality level of the
> second plurality of quality levels to the second function based on the
> output quality level for the allocated budget."

Applicants emphasize that according to Claim 1, the first and second quality levels are assigned automatically. Furthermore, as discussed hereinabove, Webb does not teach "allocating a budget to the algorithm ... to enable operating the algorithm at an output quality level." Accordingly, Webb has no structure capable of **automatically** assigning the first and second quality levels based on the output quality level **for the allocated budget**, as recited by Claim 1 Ahuja, as discussed above, does not cure this deficiency of Webb.

Thus, Claim 1 is patentable over Webb/Ahuja combination.

Claims 9 and 18

Independent Claims 9 and 18 each recite respective limitations similar to those d scussed in reference to Claim 1. Accordingly, each of independent Claims 9 and 18 is patentab ? over the Webb/Ahuja combination.

Claims 2-8, 10-17 and 19-20

These claims are dependent from respective independent claims 1, 8 and 19 and, tl us, benefit from their patentability. At least for this reason, all dependent claims are patentabl ? over the Webb/Ahuja combination.

However, at least some of the dependent claims stand on their own reciting lim tation that cannot be found in either of the cited references. For example, Claim 2 recites the follo wing:
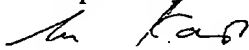
> "determining that the first function, while providing the first quality level, can be operated at a plurality of levels of complexity <u>to enable the algorithm to operate at the output quality level</u>"

In other words, at least one of the functions may have a plurality of complexity le el **each** of which allows the algorithm to operate at the desired output level. Specification, Table 2, Versions 1 and 2. Neither Webb nor Ahuja teaches or suggests the recited limitation.

Conclusion

Based on all of the above, it is respectfully submitted that the present application is now in condition for allowance. Prompt and favorable action to this effect, and early pass ng of this application to issue, are respectfully solicited. Should the Examiner have any comments questions, suggestions or objections, the Examiner is respectfully requested to telephone the unde rsigned in order to facilitate reaching a resolution of any outstanding issues.

Respectfully submitted,

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